HEXAGON TRANSPORTATION CONSULTANTS, INC.

605 S. Second Street Hotel

Draft Transportation Demand Management (TDM) Plan

Prepared for:

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1. Introduction

Transportation Demand Management (TDM) is a combination of services, incentives, facilities, and actions that reduce single–occupant vehicle (SOV) trips to help relieve traffic congestion, parking demand, and air pollution problems. The purpose of TDM is to (1) reduce the amount of trips generated by new development; (2) promote more efficient utilization of existing transportation facilities and ensure that new developments are designed to maximize the potential for sustainable transportation usage; (3) reduce the parking demand generated by new development and allow for a reduction in parking supply; and (4) establish an ongoing monitoring and enforcement program to guarantee the desired trip and parking reductions are achieved.

This TDM plan has been prepared for the proposed hotel located at 605 South Second Street. Although the project proposes to provide an adequate number of on-site parking spaces per the City code, the City of San Jose has required that the project establish single-occupant auto trip reduction measures and the preparation of a TDM plan.

This TDM Plan includes a broad range of TDM measures designed to reduce the trips, Vehicle Miles Traveled by employees and guests, and parking demand of the hotel. This Plan includes a shuttle service to the airport, on-site bicycles for guest use, an on-site transportation coordinator, a transit subsidy program for employees, and financial incentives for employees who bike or walk to work.

Project Description

The proposed 605 S. Second Street Hotel is located at the southwest corner of the S. Second Street and E. Reed Street intersection. The currently vacant site is bounded by Reed Street on the north, Second Street on the east, a residential building to the south, and an alley to the west. The project, as proposed, will consist of a 109-room hotel with 39 on-site self-parking spaces within two below-ground parking levels. Access to a drop-off/pick-up zone and parking garage is proposed to be provided via one two-way driveway on Second Street. The project site location and the surrounding study area are shown on Figure 1. The project site plan is shown on Figure 2.

Per the City of San Jose Municipal Code for the Downtown area, (Chapter 20.70.100) the project is required to provide 0.35 off-street vehicle parking space per hotel room. Based on the City's parking requirements, the project is required to provide a total of 39 off-street parking spaces. The project is proposing to meet the on-site parking requirements by providing a total of 39 parking spaces and will not require approval of a reduction in the required off-street parking.

Location and Proximity to Transit

The location of a project within or adjacent to a central business district promotes pedestrian and bicycle travel in a high-density area of complementary land uses. The project site is located within the Downtown area and is a short walk or bicycle ride from numerous complementary land uses.

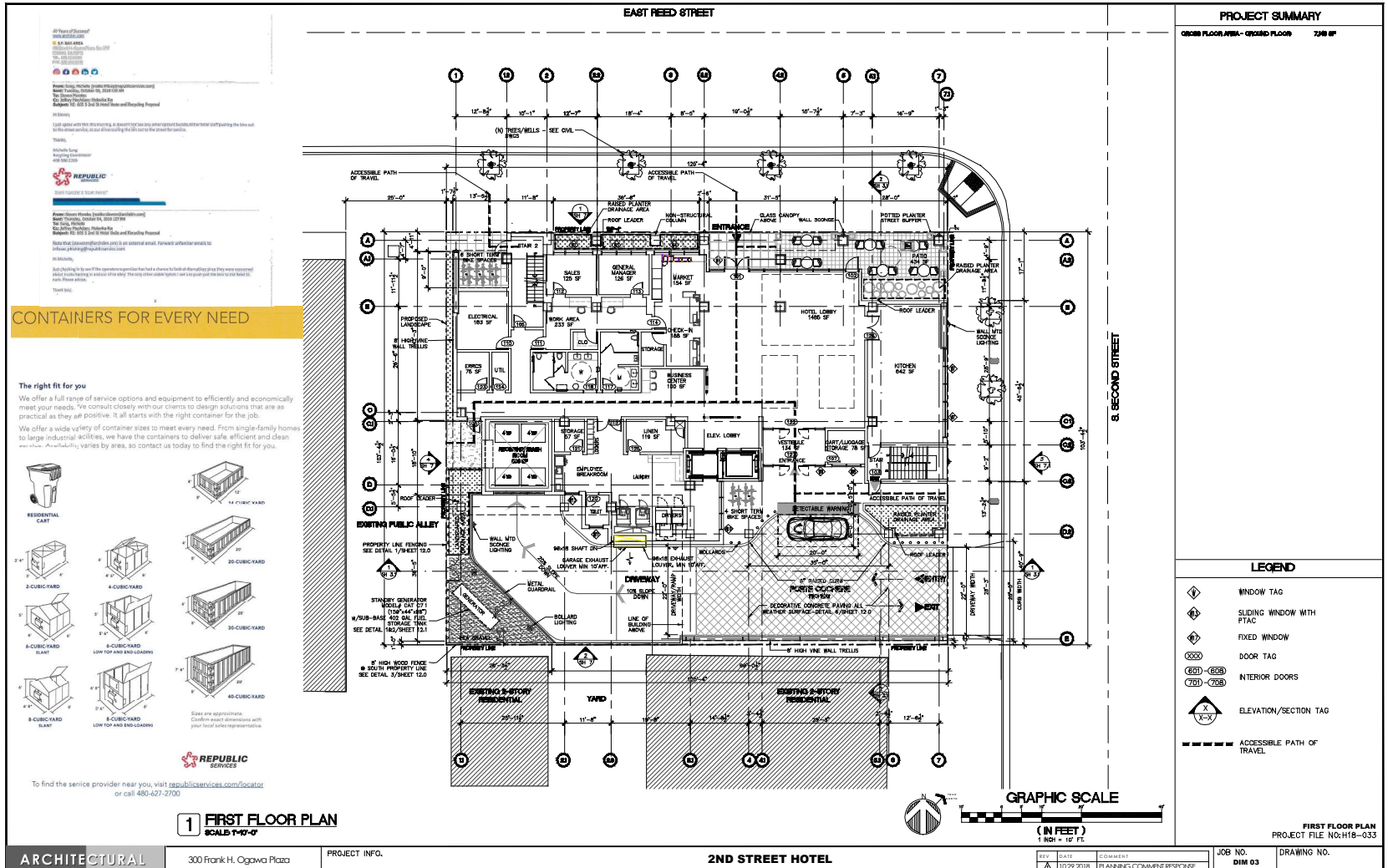
The Convention Center LRT station on San Carlos Street and Paseo de San Antonio LRT station platforms on both First and Second Streets are located within walking distance, less than 0.5-mile, of the project site. In addition, the San Jose Diridon Station is located along the Mountain View–Winchester LRT line and serves as a transfer point to Caltrain, ACE, and Amtrak services. Chapter 2 describes the existing transit services in the study area.

Report Organization

The remainder of this report is divided into two chapters. Chapter 2 describes the transportation facilities and services in the vicinity of the project site. Chapter 3 describes the TDM measures that would be implemented for the proposed project, including the program for implementing and monitoring the TDM plan.

Figure 1
Site Location

Figure 2
Site Plan



2. Existing Transportation Facilities

This chapter describes the existing conditions for all of the major transportation facilities in the vicinity of the project site, including the roadway network, transit service, and bicycle and pedestrian facilities.

Existing Roadway Network

Regional access to the project site is provided by the Interstate 280/680 freeway and State Route 87. Local site access is provided by Reed Street, Market Street, First Street, and Second Street. The freeways and local roadways are described below.

Interstate 280 connects from US-101 in San Jose to I-80 in San Francisco. It is generally an eight-lane freeway in the vicinity of downtown San Jose. It also has auxiliary lanes between some interchanges. The section of I-280 just north of the Bascom Avenue overcrossing has six mixed-flow lanes and two high-occupancy-vehicle (HOV) lanes. Connections from I-280 to the project site are provided via partial interchanges at First Street (ramps to east only), Fourth Street (ramps to west only), Sixth Street (ramps from west), and Seventh Street (ramps from east). I-280/I-680 provides access to SR 87 and US-101.

State Route 87 is primarily a six-lane freeway (four mixed-flow lanes and two HOV lanes) that is aligned in a north-south orientation within the project vicinity. SR 87 begins at its interchange with SR 85 and extends northward, terminating at its junction with US 101. Connections from SR-87 to the project site are provided via partial interchanges at Park Avenue (ramps to and from north), Auzerais Avenue (ramps to south only), and Woz Way (ramp from south only).

Reed Street is an east-west street with two lanes in the westbound direction and one lane in the eastbound direction between First Street and Fifth Street. East of Fifth Street, Reed Street consists of one eastbound and one westbound lane. Reed Street runs along the north frontage of the project site. Access to project site is provided via its intersection with Second Street.

Market Street is a north-south street with two lanes in each direction that runs between Reed Street and Julian Street. North of Julian Street, Market Street transitions to Coleman Avenue. Market Street provides access to the project site via its intersection with Reed Street

First Street is a north-south street with two lanes in each direction south of its intersection with Market Street and Reed Street. North of the intersection, First Street transitions to a one-lane northbound street to William Street. Between William Street and San Carlos Street, First Street provides northbound and southbound access. North of San Carlos Street, First Street is a two-lane northbound street.

Second Street is a north-south two-lane street providing southbound-only travel between its intersection with St. James Street and its intersection with Humboldt Street/First Street. Second Street forms a couplet with northbound-only Third Street, located one block east. Second Street runs along the project's east frontage and provides direct access to the project site via one two-way driveway.

Existing Bicycle Facilities

Class II bicycle facilities (striped bike lanes) are provided on Second Street south of San Carlos Street (including the east project frontage), Third Street south of Jackson Street, Fourth Street north of Reed Street, Woz Way south of San Carlos Street, and Almaden Boulevard north of Woz Way. First Street north of San Salvador Street and Second Street north of San Carlos Street, are designated Class III bike paths and provide "sharrow" or shared-lane markings. San Salvador Street, Balbach Street, and San Carlos Street west of Fourth Street are also designated Class III bikeways and provide "sharrow" or shared lane markings.

The existing bicycle facilities are shown on Figure 3.

Guadalupe River Park Trail

The Guadalupe River multi-use trail system runs through the City of San Jose along the Guadalupe River and is shared between pedestrians and bicyclists and separated from motor vehicle traffic. The Guadalupe River trail is an 11-mile continuous Class I bikeway from Curtner Avenue in the south to Alviso in the north. This trail system can be accessed west of Almaden Boulevard and Woz Way, approximately ½-mile west of the project site.

Ford GoBike Bike Share

The City of San Jose participates in the Ford GoBike bike share program that allows users to rent and return bicycles at various locations. Bike share bikes can only be rented and returned at designated stations throughout the downtown area. A bike share station is located approximately 600 feet west and north of the project site, at the northwest corner of the Market Street/Pierce Avenue intersection.

Existing Pedestrian Facilities

Pedestrian facilities in the study area (shown in Figure 3) consist mostly of sidewalks along all of the surrounding streets, including the project frontages along Reed Street and Second Street. Crosswalks and pedestrian signal heads are available on all four approaches at the intersections of Reed Street with Second Street and Third Street. Crosswalks and pedestrian signal heads are also available at the First Street/Reed Street intersection along the south and east legs. ADA ramps are available at all crosswalks at the First Street/Reed Street and Second Street/Reed Street intersections; ramps also are present at the Third Street/Reed Street intersection, however ramps located at the northwest and northeast corners of the intersection are not ADA-compatible.

Overall, the existing network of sidewalks and crosswalks provides good connectivity and provides pedestrians with safe routes to transit services and other points of interest in the area.

Existing Transit Service

Existing transit services in the study area are provided by the Santa Clara Valley Transportation Authority VTA, Caltrain, Altamont Commuter Express (ACE), and Amtrak. The project site is located approximately one mile from the Diridon Transit Center located on Cahill Street. Connections between local and regional bus routes, light rail lines, and commuter rail lines are provided within the Diridon Transit Center. Figure 4 shows the existing transit facilities.

Figure 3
Existing Bicycle Facilities

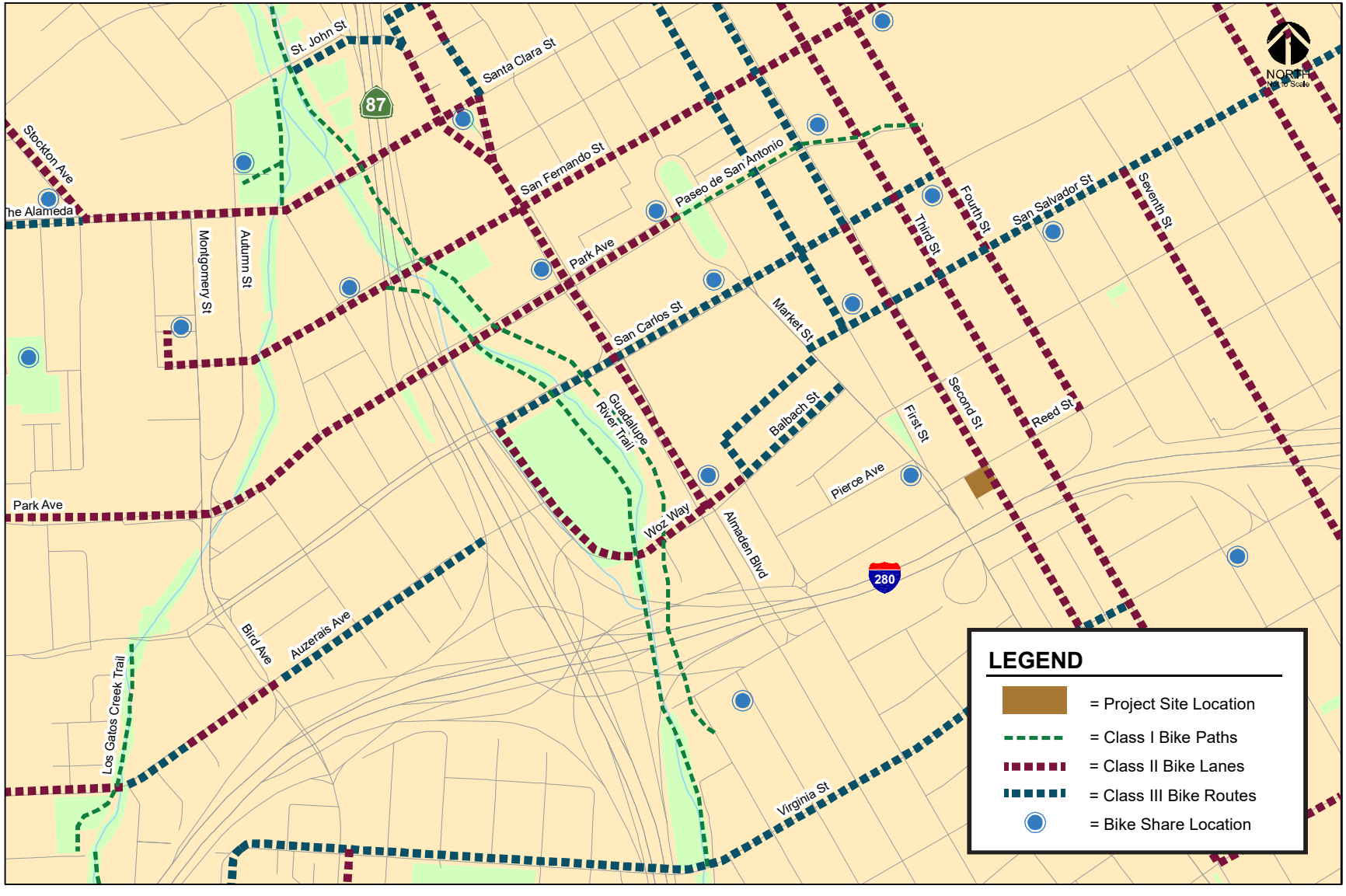
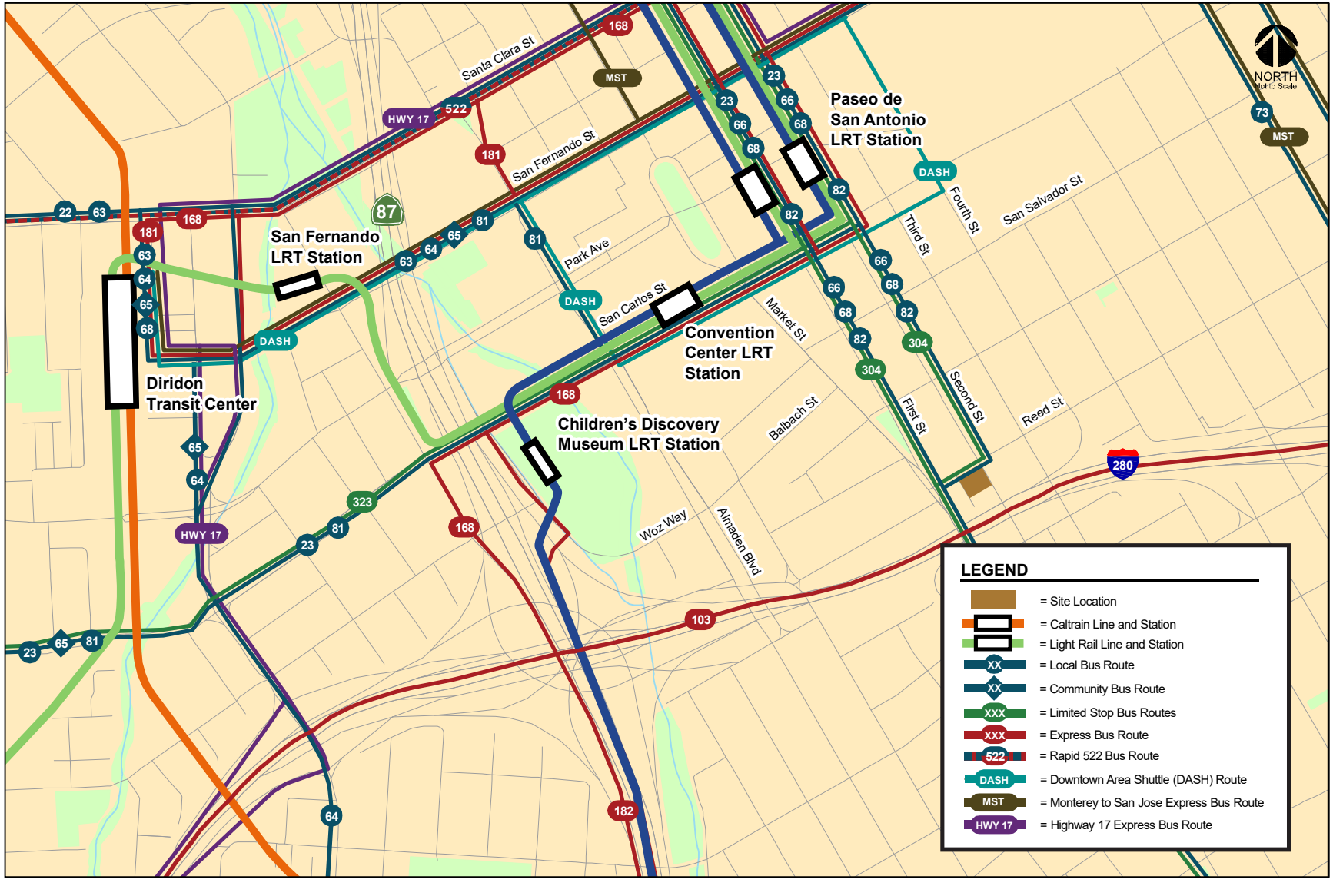


Figure 4
Existing Transit Services



VTA Bus Service

The downtown area is served by many local bus lines. The bus lines that run along First Street and Second Street are listed in Table 1, including their route descriptions and commute hour headways. The nearest bus stops are located at the northeast corner of the Market Street/Reed Street intersection and the southwest corner of the Second Street/William Street intersection.

The VTA also provides a shuttle service within the downtown area. The downtown area shuttle (DASH) provides shuttle service from the San Jose Diridon Caltrain station to San Jose State University, and the Paseo De San Antonio and Convention Center LRT stations via E. San Fernando and E. San Carlos Streets. The nearest DASH bus stop is located at the intersection of Second Street and San Carlos Street.

Limited, Express, and Rapid bus lines operated by VTA and regional bus services operated by other transit agencies are accessible from bus stops within Downtown San Jose. The Limited-stop 304 which provides limited-stop rapid transit service between South San Jose and the Sunnyvale Transit Center runs along First and Second Streets. The Highway 17 Express, a weekday commuter service that runs between San Jose and Santa Cruz via SR-17, runs along Santa Clara Street.

Table 1
Existing Transit Services

Bus Route	Route Description	Hours of Operation	Headway[1]
Local Route 66	Kaiser San Jose Medical Center to Milpitas/Dixon Landing Road	5:13 AM - 12:07 AM	15 min
Local Route 68	Gilroy Transit Center to San Jose Diridon Station	4:00 AM - 1:25 AM	15 - 20 min
Local Route 82	Westgate to Downtown San Jose	6:02 AM - 9:29 PM	30 min
Limited Stop Route 304	Santa Teresa LRT Station to Sunnyvale Transit Center via Arques	6:10 AM - 7:15 PM	30 - 50 min
DASH (201)	Downtown Area Shuttle	6:35 AM - 9:30 PM	5 - 10 min

Notes:
[1] Approximate headways during peak commute periods.

VTA Light Rail Transit (LRT) Service

The Santa Clara Valley Transportation Authority (VTA) currently operates the 42.2-mile VTA light rail line system extending from south San Jose through downtown to the northern areas of San Jose, Santa Clara, Milpitas, Mountain View and Sunnyvale. The service operates nearly 24-hours a day with 15-minute headways during much of the day. The Mountain View–Winchester and Alum Rock–Santa Teresa LRT lines operate along First and Second Streets, north of San Carlos Street. The Convention Center LRT station on San Carlos Street and Paseo de San Antonio LRT station platforms on both First and Second Streets are located within walking distance, less than 0.5-mile, of the project site. The San Jose Diridon station is located along the Mountain View–Winchester LRT line and serves as a transfer point to Caltrain, ACE, and Amtrak services.

Caltrain Service

Commuter rail service between San Francisco and Gilroy is provided by Caltrain, which currently operates 92 weekday trains that carry approximately 47,000 riders on an average weekday.

The Diridon station provides 581 parking spaces, as well as 16 bike racks, 48 bike lockers, and 27 Ford GoBike bike share docks. Trains stop frequently at the Diridon station between 4:28 AM and 10:30 PM in the northbound direction, and between 6:31 AM and 1:38 AM in the southbound direction. Caltrain

provides passenger train service seven days a week and provides extended service to Morgan Hill and Gilroy during commute hours.

Altamont Commuter Express Service (ACE)

ACE provides commuter rail service between Stockton, Tracy, Pleasanton, and San Jose during commute hours, Monday through Friday. Service is limited to four westbound trips in the morning and four eastbound trips in the afternoon and evening with headways averaging 60 minutes. ACE trains stop at the Diridon Station between 6:32 AM and 9:17 AM in the westbound direction, and between 3:35 PM and 6:38 PM in the eastbound direction.

Amtrak Service

Amtrak provides daily commuter passenger train service along the 170-mile Capitol Corridor between the Sacramento region and the Bay Area, with stops in San Jose, Santa Clara, Fremont, Hayward, Oakland, Emeryville, Berkeley, Richmond, Martinez, Suisun City, Davis, Sacramento, Roseville, Rocklin, and Auburn. The Capitol Corridor trains stop at the San Jose Diridon Station eight times during the weekdays between approximately 7:38 AM and 11:55 PM in the westbound direction. In the eastbound direction, Amtrak stops at the Diridon Station seven times during the weekdays between 6:40 AM and 7:15 PM.

3. TDM Plan

The TDM measures for the project were developed based on measures outlined in Section 20.90.220 of the San Jose Code of Ordinances that are geared to reducing parking demand of new development projects. As discussed previously, the project will meet the City's requirement for on-street parking and will not require a parking reduction. However, implementation of the proposed TDM measures would encourage future guests taking alternative transportation modes (transit, bicycle, and airport shuttle) to further reduce the SOV trips and parking demand generated by the project.

City of San Jose Parking Code

According to Section 20.90.220.A.1 of the San Jose Parking Code, a reduction in the required off-street vehicle parking spaces of up to 20 percent may be authorized if the project conforms to the transit and bicycle requirements specified in Subsections a and b. For any reduction in the required off-street parking spaces that is more than 20 percent, the project will be required to implement at least three TDM measures specified in Subsections c and d. Section 20.90.220.A.1 is outlined below.

Section 20.90.220.A.1 – Reduction in Required Off-street Parking Spaces

A. Alternative transportation.

1. *A reduction in the required off-street vehicle parking spaces of up to fifty percent may be authorized with a development permit or a development exception if no development permit is required, for structures or uses that conform to all of the following and implement a total of at least three transportation demand management (TDM) measures as specified in the following provisions:*
    a. *The structure or use is located within two thousand feet of a proposed or an existing rail station or bus rapid transit station, or an area designated as a Neighborhood Business District, or as an Urban Village, or as an area subject to an area development policy in the city's general plan or the use is listed in Section 20.90.220G.; and*
    b. *The structure or use provides bicycle parking spaces in conformance with the requirements of Table 20-90.*
    c. *For any reduction in the required off-street parking spaces that is more than twenty percent, the project shall be required to implement a transportation demand management (TDM) program that contains but is not limited to at least one of the following measures:*
        i. *Implement a carpool/vanpool or car-share program, e.g., carpool ride-matching for employees, assistance with vanpool formation, provision of vanpool or car-share vehicles, etc. and assign car pool, van pool and car-share parking at the most desirable onsite locations at the ratio set forth in the development permit or development exception considering type of use; or*

ii. *Develop a transit use incentive program for employees and tenants, such as on-site distribution of passes or subsidized transit passes for local transit system (participation in the region-wide Clipper Card or VTA EcoPass system will satisfy this requirement).*

d. *In addition to the requirements above in Section 20.90.220.A.1.c. for any reduction in the required off-street parking spaces that is more than twenty percent, the project shall be required to implement a transportation demand management (TDM) program that contains but is not limited to at least two of the following measures:*
   i. *Implement a carpool/vanpool or car-share program, e.g., carpool ride-matching for employees, assistance with vanpool formation, provision of vanpool or car-share vehicles, etc. and assign car pool, van pool and car-share parking at the most desirable on-site locations; or*
   ii. *Develop a transit use incentive program for employees, such as on-site distribution of passes or subsidized transit passes for local transit system (participation in the region-wide Clipper Card or VTA EcoPass system will satisfy this requirement); or*
   iii. *Provide preferential parking with charging facility for electric or alternatively-fueled vehicles; or*
   iv. *Provide a guaranteed ride home program; or*
   v. *Implement telecommuting and flexible work schedules; or*
   vi. *Implement parking cash-out program for employees (non-driving employees receive transportation allowance equivalent to the value of subsidized parking); or*
   vii. *Implement public information elements such as designation of an on-site TDM manager and education of employees regarding alternative transportation options; or*
   viii. *Make available transportation during the day for emergency use by employees who commute on alternate transportation. (This service may be provided by access to company vehicles for private errands during the workday and/or combined with contractual or pre-paid use of taxicabs, shuttles, or other privately provided transportation); or*
   ix. *Provide shuttle access to Caltrain stations; or*
   x. *Provide or contract for on-site or nearby child-care services; or*
   xi. *Incorporate on-site support services (food service, ATM, drycleaner, gymnasium, etc. where permitted in zoning districts); or*
   xii. *Provide on-site showers and lockers; or*
   xiii. *Provide a bicycle-share program or free use of bicycles on-site that is available to all tenants of the site; or*
   xiv. *Unbundled parking; and*

e. *For any project that requires a TDM program:*
   i. *The decision maker for the project application shall first find in addition to other required findings that the project applicant has demonstrated that it can maintain the TDM program for the life of the project, and it is reasonably certain that the parking shall continue to be provided and maintained at the same location for the services of the building or use for which such parking is required, during the life of the building or use; and*
   ii. *The decision maker for the project application also shall first find that the project applicant will provide replacement parking either on-site or off-site within reasonable walking distance for the parking required if the project fails to maintain a TDM program.*

Compliance with the City Parking Code

Per the City of San Jose Municipal Code for the Downtown area, (Chapter 20.70.100) the project is required to provide 0.35 off-street vehicle parking space per hotel room. Based on the City's parking requirements, the 109-room hotel project is required to provide a total of 39 off-street parking spaces. The project is proposing to meet the on-site parking requirements by providing a total of 39 parking spaces and will not require approval of a reduction in the required off-street parking.

Proposed TDM Measures

The TDM measures to be implemented for the 605 S. Second Street Hotel project include design features, programs, and services that promote sustainable modes of transportation and reduce the roadway and parking demand that would be generated by the project. Such measures encourage walking, biking, and use of transit. For the proposed project, the included TDM measures are described below.

Passenger Loading Zone

The proposed project includes a 35-foot on-site passenger loading zone located along the north side of the entry drive aisle. This design would facilitate the use of taxis, private vehicle transport, and rideshare services (e.g., Uber, Lyft, and Wingz) for guests to access the hotel without cars. With the option of accessing the hotel through these ridesharing services and without a car, the need for a parking space would be reduced.

Guest Shuttle Services

The proposed project would offer free shuttles to guests. The shuttle destinations would be determined based on guest preferences. It is initially thought that shuttles would serve the Mineta International Airport, Diridon Transit Station, and downtown in San Jose. Since the proposed project is a hotel, a portion of the guests would likely be traveling through the airport. With the option of using the free shuttle, the need for a car and a parking space would be reduced. Mineta International Airport is approximately three miles driving distance from the proposed project.

On-Site Bicycle Share Program

The proposed project would provide on-site bicycles for visitors to share. The bicycles would be stored in a secured common space that can be checked out by guests. Local destinations throughout Downtown are a short bicycle ride away from the proposed project. Inclusion of a bike share program would likely reduce the need for guests to use a car.

On-Site Car-Share Program

The proposed project would provide on-site access to a car-sharing service such as Zipcars for hotel employees and guests. Vehicles will be located on-site allowing hotel employees and guests to come and go at their convenience. Vehicles can be reserved prior to visiting the hotel.

Free VTA Eco Passes

The proposed project would offer free annual VTA Eco Passes for employees for the life of the project. Eco Passes would give employees unlimited rides on VTA Bus, light rail transit (LRT), and Express Bus service seven days a week. Eco Pass is deeply discounted below the standard fares, making it an attractive low-cost benefit to employees.

Financial Incentives for Biking or Walking to Work (Employees Only)

In order to encourage employees of the proposed project to use alternative modes to get to work, a parking cash-out program for employees would be established. Employees who walk or bike to work at least four days per week would be eligible to receive a financial incentive for doing so. Employees who request a parking cash-out for bicycling or walking to work would not be eligible to receive subsidized annual VTA Eco Passes.

Participating employees would not be allowed to park in the project's parking garage on a daily basis. However, since there may be times when employees who primarily commute using alternative modes of transportation need to drive to work, employees who receive a financial incentive for biking or walking to work (or who receive subsidized transit passes) should be allowed to park in the garage on such occasions. The maximum number of times those individuals may park in the garage could be set at twice a month, or some similar limit based on employee feedback from annual Employee Surveys.

The amount of the financial incentive for walking or biking to work would be $50 per month. The Federal Bike Commuter Benefit allows employees to receive up to $20 per month tax-free. The balance of $30 for bicyclists and the full $50 for those who regularly walk to work would be considered taxable income to employees. (Although transit and vanpool subsidies up to $255 per month are exempt from federal income taxes, the Federal Bike Commuter Benefit is limited to $20 per month.)

Parking cash-out is a state law in California, but the state law only applies to employers with 50 employees or more who lease their parking and where parking costs can be separated out as a line item on their lease. Because the proposed hotel would not have 50 employees, we note that the state law does not apply to this project. The parking cash-out program is voluntarily included as an element of this TDM Plan.

On-Site TDM Coordinator and Services

The proposed project would provide an on-site TDM coordinator, who would be responsible for implementing and managing the TDM plan. The TDM coordinator would be a point of contact for guests and employees should TDM-related questions arise, and would be responsible for ensuring that guests are aware of all transportation options and how to fully utilize the TDM plan. The TDM coordinator would provide the following services and functions to ensure the TDM plan runs smoothly:

- Provide guests information at the time of check-in. The process would include information about public transit services, ridesharing services (e.g., Uber, Lyft, and Wingz), bicycle maps, the on-site bicycle-share program, the on-site car-sharing program and the guest shuttle.
- A summary of the transportation options offered to all guests and employees.
- Manage the on-site bicycle-share program to ensure the bicycles remain in good condition.
- Manage the on-site car-share program to ensure the vehicles are used in the manner intended by the car-sharing service.
- Provide information to employees about subsidized transit passes and the financial incentive programs for employees who bike or walk to work.
- Conduct parking surveys annually to track actual parking demand and determine whether additional TDM measures, or another parking solution, is needed.

TDM Implementation and Monitoring

As previously stated, the primary purpose of the TDM plan is to encourage future guests to take alternative transportation modes (transit, bicycle, and airport shuttle) and reduce the SOV trips and parking demand generated by the project. Per Section 20.90.220.A.1.e of San Jose Code of

Ordinances, monitoring progress would be necessary to ensure that the TDM measures are effective and continue to be successfully implemented.

The future hotel operator would be responsible for ensuring that the TDM trip reduction measures are implemented. The TDM plan would need to be re-evaluated annually for the life of the project.

Conclusions

The TDM measures to be implemented by the project include planning and design measures related to the attributes of the site location, the site design, and on-site amenities. Such measures encourage walking, biking, and use of transit. The TDM plan includes the following measures:

- Design features – Entrance passenger zone
- Guest Shuttle services
- On-site bicycles for guest use
- On-site access to car-share vehicles for hotel employees and guests
- Free annual VTA Eco Pass for employees
- Financial Incentives for employees who bike or walk to work
- On-site TDM coordinator and services